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Kyrgyz Republic: Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding

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International Monetary Fund

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March 24, 2015

The following item is a Letter of Intent of the government of Kyrgyz Republic, which describes the policies that Kyrgyz Republic intends to implement in the context of its request for financial support from the IMF. The document, which is the property of Kyrgyz Republic, is being made available on the IMF website by agreement with the member as a service to users of the IMF website.

Letter of Intent

Christine Lagarde
Managing Director
International Monetary Fund
Washington, D.C. 20431

Bishkek, March 24, 2015

Dear Madam Lagarde:

Last year the Kyrgyz Republic successfully completed a three year arrangement under the Extended Credit Facility (ECF). All reviews were completed without delay and only one performance criterion was missed. Macro-economic stability was restored and growth picked up after a contraction of 0.5 percent in 2010. Inflation was kept below 10 percent throughout the program. Fiscal performance was stronger than planned, with the fiscal adjustment of more than 2 percentage points over three years despite sizeable increase in public investment. The National Bank of the Kyrgyz Republic (NBKR) launched a new policy framework aimed at enhancing the monetary transmission mechanism. Financial sector supervision was strengthened.

We are committed to completing the reform agenda started under the previous program. We made significant progress developing the financial sector and reforming tax administration. Other key reforms, such as the Banking Code, the Budget code, TSA implementation, and the revised AML/CFT law, are on the way. We are committed to finalize the audit of the debt resolution agency (DEBRA) and liquidating the banks under its administration. We also intend to devote significant attention to improving governance, transparency, and the business environment.

Maintaining macroeconomic stability, putting public finances on a sustainable footing, and building a strong financial sector are our key priorities for addressing the challenges we face going forward. Those include dependence on gold, remittances, and foreign aid, high external debt and the current account / fiscal deficits. Combined with a deteriorating regional environment and accession to the Eurasian Economic Union (EEU) early next year, these challenges, increase the vulnerability of our economy. Nascent institutions, political risks, and a challenging business environment further hamper economic development.

Recognizing that these important medium-term challenges remain, we request the approval of a new 36-month arrangement under the ECF in an amount equivalent to SDR 66.6 million (75 percent of quota). We believe that a Fund-supported program would bolster our efforts, both as a source of financing and as a way to ensure fiscal discipline, by providing a framework for structural reforms. In addition it would catalyze donor support and help us to improve investor confidence. To this end, we are prepared to pursue further structural reforms, continue fiscal consolidation, maintain debt on a sustainable level, tighten monetary policy, and strengthen prudential controls. To help us meet these objectives we request that the disbursements under the IMF program are channeled to our budget.

The Kyrgyz Republic believes that the policies set forth in the attached Memorandum of Economic and Financial Policies (MEFP) are adequate to achieve the objectives of the program, but will take any further measures that may become appropriate for this purpose. We will consult with the IMF on the adoption of these measures and in advance to the revisions to the policies contained in the Memorandum of Economic and Financial Policies in accordance with the IMF's policies on such consultation.

During the Fund-supported program period the government will not introduce any exchange rate restrictions, multiple currency practice, and import restrictions for balance of payments purposes, and will continue to comply with all obligations under Article VIII of the IMF's Articles of Agreements.

In line with our commitment to transparency in government operations, we consent to the publication of all ECF-related documents circulated to the IMF Executive Board.

/s/

Djoomart Otorbaev
Prime Minister of the Kyrgyz Republic

/s/

Olga Lavrova
Minister of Finance of the
Kyrgyz Republic

/s/

Nurbek Jenish Acting Chairman of the National
Bank of the Kyrgyz Republic

Memorandum of Economic and Financial Policies (MEFP) for 2015–18

March 24, 2015

I. INTRODUCTION

This memorandum sets out the economic and financial policies of the government of the Kyrgyz Republic for 2015–18, which aim at: 1) reducing the operational balance by increasing tax revenues and streamlining current expenditures to support the pro poor spending; 2) boosting public investment in essential infrastructure without undermining public debt sustainability; 3) reinforcing the monetary framework to enhance transmission, maintain price stability and promote financial development while protecting foreign exchange reserves while pursuing flexible exchange rate policy; 4) improving financial stability and inclusion by strengthening financial oversight; and 5) carrying out structural reforms to improve the business environment and promote a competitive private sector which could support sustained broad based growth. These policies form the basis of our economic program, which will be supported by a new three-year arrangement under an Extended Credit Facility (ECF).

A. Recent Developments and Outlook

1. **The economic slowdown and higher inflation which started in 2014 will continue in 2015 precipitated primarily by external shocks.** The deepening economic crisis in Russia, adverse weather and the initial impact of accession to the EEU are the key factor contributing to the outlook in 2015. Growth is expected to drop significantly to below 2 percent due to a sharp drop in gold production, and the slowdown in services. Inflation is expected to average about 10 percent.

2. **Economic slowdown in Russia and Kazakhstan, our key economic partners, is the main challenge we face today.** The depreciation of the som against the U.S. dollar is driven mainly by the even faster fall of the Russian and Kazakh currencies. Our economy's dependency on imports means that depreciation is feeding directly into higher prices. Depreciation is also increasing the foreign exchange risks facing our highly dollarized banking system. Remittances from workers in Russia and Kazakhstan, which constitute up to 30 percent of our economy have slowed down and are expected to decline by more than 10 percent in 2015. Finally weaker demand in Russia and Kazakhstan will adversely affect our export and re-export sectors.

3. **We will maintain our policy of a floating exchange rate of the U.S. dollar to the som.** Our interventions continue to be limited to reducing extreme volatility and mitigate the impact on inflation and the banking system. Given the strong links between our economy and those of Russia and Kazakhstan, the som lost 20 percent of its value against the U.S. dollar

in 2014. However, the impact of the external factors on the exchange rate, high inflation and the high degree of dollarization of our banking system, compel us to intervene to defend the exchange rate. In 2014 we intervened 58 times, deploying US$516 million of our foreign exchange reserves (net interventions).

4. **Our efforts to reduce inflationary pressures, by mopping up excess liquidity, are hampered by the still weak interest rate transmission mechanism and dollarization.** Despite raising interest rates eight times in 2014, from 4.16 percent to 10.5, demand for NBKR notes remains weak with banks preferring to use liquidity to purchase foreign exchange, compounding the pressure on the currency. The share of dollar denominated deposits net of interbank transactions increased to 56 percent from 51 percent during 2014, caused by devaluation and faster growth in foreign exchange deposits compared to those denominated in som.

5. **Credit grew by 44 percent in 2014, reflecting a low base effect, the devaluation of the som and our efforts to improve access to credit, particularly for agriculture.** A substantial proportion of credit growth, about 36 percent, is linked to trade, with the NBKR agricultural sector credit auction of 2.6 billion som accounting for 17 percent of the growth. At 20 percent of GDP, credit to the private sector remains far below the CIS average of about 31 percent. However, the increase in the ratio of credit to GDP, which exceeded 4 percentage points in 2014 could render the banking sector more vulnerable. We are closely monitoring banks with the fastest credit growth rates to ensure that there is no deterioration in the quality of their asset portfolio.

6. **We expect the fiscal deficit in 2015 to widen compared to initial estimates driven mainly by the implementation of large foreign-financed investment projects.** As in 2014, tax revenues and current spending will remain broadly flat in percent of GDP. Capital spending will continue to grow. Implementation of large foreign finance infrastructure projects totaling 8 percent of GDP represents a 4 percentage point increase over 2014. Additional pressure could come from drought induced energy shortages as well as repercussion from the unfolding economic crisis in Russia.

7. **We have signed the agreement to join the EEU on December 23, 2014 with membership coming into effect on May 9, 2015.** We have implemented a significant part of the accession roadmap including the enactment of 34 relevant laws. We have reached agreement with our EEU partners, that entitles us to 1.9 percent share of the total EEU customs revenues. We have also agreed on a set of exclusions and deferrals to protect imports in sensitive areas. We expect to Russia to provide financing on a grant in kind basis for the next three years starting from 2015 for works, equipment delivery, service rendering and other activities for implementation of the road map in the amount of US$200 million (or equivalent amount in ruble). In addition, the first US$100 million towards the establishment of the US$1 billion Russia-Kyrgyz development fund has been disbursed.

8. **Over the course of the next 12 months we expect a number of challenges.** The continued slowdown among our trading partners, especially Russia, could further hurt growth

and put pressure on the external and fiscal accounts. Political dynamics in the run-up to the October 2015 elections could slow down reform momentum. Finally, uncertainty with respect to accession to the EEU could complicate the policy decision making process in the near term.

II. POLICIES FOR 2015 AND BEYOND

9. Generating inclusive growth and reducing poverty through maintaining macro-economic stability, achieving fiscal and debt sustainability, supporting financial sector reforms, and encouraging structural reforms to build strong institutions are the cornerstones of the program. In particular:

- We will aim for real GDP to grow of about 3.4 percent on average during 2015–17, which is below potential, reflecting mainly the challenging regional environment and lower gold output.
- We expect inflationary pressures, particularly the effects of the som devaluation, to continue in 2015, gradually receding in 2016 and 2017 with inflation settling around 6 percent by the end of 2017. Tight monetary policy stance, prudent fiscal policy and stabilization of the regional environment will contribute to achieving this target.
- The general government deficit excluding on-lending will be brought down to 3.3 percent of GDP by 2017, as a result of a combination of tax administration, tax policy and spending measures.
- The current account deficit is expected to remain high over the medium term. The ECF arrangement is expected to catalyze significant donor support, which will help to finance the current account deficit and maintain comfortable reserve levels. By signaling commitment to reforms, the program will also bolster investor's and business confidence in the economy and the national currency.

B. Fiscal Policy

10. Our fiscal plans for 2015–17 are predicated on an increase in public investment to close infrastructure and energy gaps. Our 2015 budget is based on an increase in the deficit due to higher public investment. The overall deficit will peak in 2015 tapering towards the end of the program as tax and expenditure measures are enacted. We will not be able to implement new tax measures in an election year however we will prepare the legislation to be able to introduce new measures for 2016 and 2017. For financing, we will rely mainly on external sources, with domestic financing declining compared to the previous year, to prevent crowding out the private sector.

11. Fiscal adjustment will accelerate in 2016 and 2017 to compensate for the balance's deterioration in 2015. Tax revenues would increase by 0.6 percentage points of GDP, while current expenditures would decrease by 2.3 percentage points of GDP. Grants are expected to decline by 1.8 percentage points of GDP and capital expenditures are expected to increase by about 0.4 percentage points of GDP. Financing of the deficit will continue to rely on external financing. These projections will be revised once there is more clarity regarding the impact of accession on revenues.

12. To meet the above fiscal targets, we will implement the following tax policy measures:

- We will prepare legislation in 2015 for implementation of the following measures starting in 2016: (i) strengthening the VAT by reducing the number of exemptions; (ii) gradually phasing out the sales tax; (iii) gradually limiting the use of the patent system; and (iv) we are working with parliament to adopt a simplified recordkeeping and reporting requirements (Structural benchmark, June 2015). Additionally, we will refrain from renewing any exemption that expire and from introducing new exemptions and favorable taxation regimes for selected sectors and activities.

13. We will continue to strengthen tax administration by (i) improving the coordination of customs and tax policies, especially with VAT where customs will continue to play a key role; (ii) increasing excise and property taxes for certain categories of tax payers; (iii) reforming the taxation of mineral resources in line with best practice; and (iv) increasing capacity for tax policy analysis and revenue forecasting, which could be done with the help of an international expert to develop analysis tools and train staff.

14. In order to streamline current expenditures:

- We will refrain from any ad hoc sectoral wage increases before drawing up an action plan for the reform of public sector personnel and remuneration policy which builds on the public expenditure review recently carried out by the World Bank. The action plan would aim to reduce the wage bill as a share of GDP (Structural Benchmark, December 2015). However, we will begin the already announced increase in wages to workers of educational institutions in September 2015 to compensate for a freeze in wages since 2011. We will take offsetting fiscal measures in a supplementary budget (to be submitted to parliament by June 2015) to make this wage increase budget neutral for 2015. Similarly, we will take offsetting fiscal measures in the 2016 budget to ensure that any increase in these wages next year is budget neutral.

- The government intends to: (i) streamline spending on goods and services; (ii) conduct a cost benefit analysis of subsidies, especially in the electricity sector and propose an action plan for reducing their fiscal impact; (iii) streamline untargeted social spending by reviewing the existing programs; and (iv) improving forecasting and procurement of social spending. While reforming the subsidy programs we will also carry out measures to mitigate the impact of reforms on the vulnerable, which will gradually increase social spending over the course of the program.

15. We plan to scale up investment to address essential infrastructure needs identified in the National Development Strategy. The proportion of the investment program financed by foreign concessional lending, primarily from China is expected to total about 24 percent of GDP over the next three years. Additionally, we are negotiating with Eximbank China the second phase of the North-South road for US$300 million with disbursements starting in 2015. Additional investment carried out mainly by Russia will be in the form of FDI. Feasibility studies, carried out to assess the economic viability of these projects have shown them to be profitable, offering rates of return comparable or better than similar projects elsewhere.

16. To ensure the success of our public investment program (PIP), we are committed to improving the efficiency, quality of implementation, and cost effectiveness of the public investment process. With that objective in mind, we will undertake a review of our public investment framework in cooperation with our partners and sectoral ministries to identify gaps and then define an action plan (Structural Benchmark, December 2015), which includes a transparent mechanism and guidelines for independent appraisal, physical monitoring, and evaluation of public investments in line with the World Bank public expenditure review. For this objective we will seek technical assistance from our development partners.

17. Public debt, including SOEs borrowing, will remain at sustainable levels throughout the program despite large investment programs. Despite the ramp up of public investment, public debt will not exceed 62 percent of GDP by the end of the program. Taking remittances into account, the ratio of present value of public debt to GDP should remain below the DSA-estimated distress threshold. We will develop a medium term debt strategy (MTDS) for 2015–17 which will (i) restrict borrowing to projects which enhance growth and promote social development; and (ii) maintain debt at sustainable levels; and (iii) ensure that borrowing is anchored in the medium-term fiscal framework and is consistent with macroeconomic stability (Structural Benchmark April 2015). We will establish a mechanism to closely monitor SOE debt including new contracts and monthly debt service payments. Finally, we will inform IMF staff before contracting any new external borrowing of the borrowing's conditions to ensure that concessionality is in line with program requirements.

18. In the context of our upcoming accession to the EEU we have established a one billion dollar development fund in partnership with Russia, yet to be incorporated. To avoid the pitfalls which could affect such funds we will establish a transparent and accountable governance framework once operational. The governance framework will satisfy the following criteria: (i) ensure the best practices in corporate governance, including being subject to an independent audit by an international reputable firm; (ii) set institutional, corporate, and financial guidelines in line with international best practices, clarifying clearly the functions and the financing of the fund and ensuring its financial soundness; and (iii) ensure that the fund's activities will not create any kind of contingent liability for the sovereign balance sheet, as the government will have no legal obligation to bail the fund out, should it become illiquid or insolvent.

19. Additional structural reforms will aid the process of fiscal consolidation and put public finances on a stronger footing. As a step towards further budgetary consolidation, we plan to integrate the social fund into the state budget framework by bringing its operations under the central treasury. We recently transferred the tax policy unit to the ministry of economy to allow for closer engagement with the private sector. However, in order to ensure coherence and effectiveness of tax policies, we will enhance coordination among key competent agencies particularly the ministry of finance whose consent will be necessary for all new tax measures. In accordance with the IMF TA recommendation in the draft technical memorandum of understanding, it is planned to develop the methodological framework on fiscal risks with the help of an international advisor.

C. Monetary and Exchange Rate Policies

20. We believe that strengthening the newly introduced monetary policy framework is critical to enhancing the transmission mechanism and maintaining price stability. Keeping inflation in check present a challenge in light of the depreciation of the som, rising dollarization and strong private credit growth.

21. To contain inflation, we will: (i) strive to maintain the policy rate positive in real terms to enhance the traction of monetary policy; (ii) contain monetary aggregates; (iii) staff properly the economic department at the NBKR to ensure efficient conducting of the monetary operations, including by improving the forecasting model and analyzing key monetary indicators, including regular liquidity forecasting based on forecast errors; (iv) improve monitoring and management of the systemic liquidity on basis of forecasts of demand and supply of structural liquidity and through better coordination with Kyrgyz Treasury and taking into account foreign-exchange operations of NBKR and government; and (v) analyze operational liquidity needs of banking system.

22. To contain credit growth and dollarization and enhance resilience of the financial sector to currency fluctuations, we will undertake the following macro prudential measures:

- Contain NBKR credit auction pending stabilization of credit growth and foreign exchange market.
- Introduce a higher reserve requirement for foreign exchange deposits compared to som deposits to discourage dollarization (Structural Benchmark, October 2015).
- Introduce differentiated provision requirements for new foreign exchange loans provided by banks to limit their exposure to foreign exchange risk. The increase will be introduced in two steps to avoid stressing the banking system. As a first step, the NBKR will adopt regulations by end-March to be implemented by early May: (i) increase provision requirement for new foreign exchange loans to clients earning over 75 percent of their income in foreign exchange to 2.5 percent; (ii) increase provision requirement for new foreign exchange loans to clients earning between 50 and 75 percent of their income in foreign exchange to 5 percent; and (iii) increase provision requirement for new foreign exchange loans to clients earning under 50 percent of their income in foreign exchange to 7.5 percent (Prior Action).

Following the assessment of the impact of the first step, if assessed necessary, step two would be: Increase provision requirements by 2.5 percent for all categories by September 2015.

- Adopt a debt service to income ratio of 50 percent for new consumer loans (Prior Action). The NBKR will also pay close attention to mortgage loans, constituting 10 percent of the overall bank portfolio, of which 75 percent is in foreign currency. If need be, macro prudential measures could be extended to them.

- Currently, MFIs lend in som and need a specific license to lend in foreign currency. As of now, only one MFI has a license and it has not been used yet. The NBKR will monitor closely the activities of the MFIs and in case of an increase of foreign exchange loans, we will extend the above measures to them.

- We will pursue additional measures aimed at strengthening banking supervision and ensuring the effective implementation of the macro-prudential measures listed above. In addition to intensifying onsite/offsite supervision we will strengthen the monitoring of banks' direct and indirect exposure to foreign exchange risks through: (i) improved reporting/disclosure rules for banks and their borrowers' open positions in foreign currency; (ii) a requirement to conduct monthly surveys of banks' and their borrowers' foreign exchange exposures (by banks themselves and by supervisory authorities); (iii) strict enforcement of the limits on net open foreign exchange positions; and (iv) strict enforcement of the rules on registering all loans with the credit bureau.

23. A strong communication strategy would be critical to enhance monetary policy traction. Such a strategy would among others include: (i) communicating monetary policy intentions to public on frequent and regular basis; (ii) preparing and publishing a long-term monetary policy strategy document consistent with the current regime clearly defining nominal anchor; and (iii) publishing short notes on newly released macroeconomic data on inflation with basic background analysis.

24. Going forward we will continue to limit foreign exchange interventions to smoothing excessive volatility in support of our monetary policy. We will aim for greater exchange rate flexibility in order to preserve foreign reserves, support monetary policy objectives, external adjustment, and act as a shock absorber to terms of trade shocks. Given the Kyrgyz Republic vulnerability to external shocks, we will aim for a level of reserves above three months of imports during the course of the program. We will continue to enhance our communication policy in support of our foreign exchange operations.

25. We aim to strengthen the resilience of the bank-dominated financial sector, particularly given that rapid credit growth is taking place in the context of economic slowdown and currency depreciation. To this end we will carry out the following reforms, informed by the 2013 FSAP update findings:

- Issue a decision to harmonize the standard minimum capital requirement to level the playing field among banks by gradually raising bank capital requirement in three steps by 2017 (Structural Benchmark, May 2015).

- Strengthen the monitoring of foreign exchange bureaus by bringing them under NBKR supervision through the introduction of mandatory reporting requirement to NBKR.

- Submit to parliament a draft amendment to the Administrative Responsibility Code increasing the penalty for unlicensed foreign exchange activity to 50,000 som for individuals, 100,000 som for corporate officers, and 200,000 som for legal entities to deter infringement (Structural Benchmark, May 2015).

- Finalizing the audit of DEBRA (Structural Benchmark, October 2015) and liquidating the banks under its management with a goal of winding down DEBRA's assets. The NBKR with assistance from the World Bank shall be responsible for the execution of the tender and the selection of an international audit company to carry out the special audit of DEBRA under the SECO funded Financial Sector Development Project.

- Pending the liquidation of DEBRA, we will refrain from merging it with the Deposit Protection Agency (DPA).

- Issue implementing regulations following the recent passage by parliament of the Payment System law.

- Establish a formal crisis preparedness framework including assigning responsibility for financial stability to the NBKR, developing a comprehensive crisis management plan for the banking sector, ensuring that appropriate MOUs are in place between the relevant agencies, preparing financial crisis contingency plan by each agency and conducting periodic crisis intra- and inter-agency simulation exercises. We will need IMF technical assistance in this context.

26. The Government and NBKR are committed to make every effort for the adoption of the banking code in a form substantially similar to the draft submitted to parliament in September 2013. The banking code is essential to facilitate the stability and development of the financial sector. It fixes problems in existing bank legislation, especially with respect to strengthening the NBKR independence, and converting the existing patchwork bank resolution framework into a single strengthened regime. To this effect, the code will: (i) only be superseded by the Constitution or Constitutional Laws; (ii) preserves the autonomy of the NBKR; (iii) improve the framework for early intervention and resolution of problem banks; (iv) enhance legal protection for NBKR staff; (v) limit the scope of judicial review for decisions taken by the NBKR with respect to license revocation and bank resolution; (vi) establish the NBKR as the sole authority to hold and manage official foreign reserves; (vii) extend the term of engagement of the NBKR external auditors; and (viii) strengthens the internal oversight of the NBKR. We understand that progress in that area would be necessary to move forward with the program.

27. We are stepping up our work on anti-money laundering and combating the financing of terrorism (AML/CFT) issues. In this regard we are working with parliament on a new version of the draft AML/CFT law to bring it in line with the 2012 FATF standard. This is a necessary measure, particularly as it would complement our ongoing efforts to strengthen the anti-corruption framework, by ensuring proper detection and recovery of proceeds of corruption. With a view to implementing the 2012 FATF recommendations in the legal framework of the Kyrgyz Republic, we have requested technical assistance from Fund staff, aiming in particular at implementing risk-based AML/CFT supervision, and strengthening operations of the Financial Intelligence Unit.

D. Institutional and Structural Reforms to Ensure Broad-Based Growth

28. We believe that structural reforms help accelerate growth make it more inclusive. We will carry out reforms in the following areas:

- *Revenue administration.* We will carry out a reform of the State Tax Service and strengthen the Large Taxpayer Unit (LTU) by: (i) reorganization of the institutional structure of the tax service reducing duplication of functions with respect to interregional tax service departments (Structural Benchmark, April 2015); (ii) analyzing the taxpayer population to determine the optimum number of taxpayers administered by the LTU; and (iii) providing LTU coverage of all large taxpayers and electronic filing by such taxpayers.

- *Strengthening PFM reforms.* We will redouble efforts on PFM reforms, especially on the. introduction of the Treasury Single Account (TSA) This includes selecting a provider for integrating the automated national treasury system with the interbank payment system (Structural Benchmark, September 2015). In the regard, we will work on integrating existing automated national treasury system with the interbank payment system by the end of 2015. Additionally, we will undertake every effort to have the budget code enacted by parliament.

- *Business environment.* We have identified the following measures to improve the institutional and regulatory environment by addressing key weaknesses identified by the World Bank doing business report, including: starting a business and streamlining the licensing process and inspection regime; registering property; and protecting investors. Monitoring the business environment via regular business surveys will also be critical to identifying obstacles and bottlenecks to growth.

- *Combating corruption and enhancing governance.* One of the government's key priorities is to combat corruption and enhance governance. To this effect we will enact the procurement law currently in parliament along with supporting bylaws and regulations and submit a request to join the Council of Europe's Criminal Law Convention on Corruption, Civil Law Convention on Corruption and the Additional Protocol to the Criminal Law Convention on Corruption with the aim of becoming a member of the Group of states against corruption (GRECO).

- *Development of regional trade*. We aim to protect the Kyrgyz Republic's liberal economic regime as we join the EEU and to leverage it to achieve competitive advantage. To this end, we will maintain progress on structural reforms aimed at improving the business environment and increasing state efficiency. Success will hinge on how the EEU's rules and regulations are implemented and whether market-led momentum follows. To resolve the issue of elimination of customs control for goods and transport vehicles moving across the Kyrgyz-Kazakhstani part of the state border, measures will be implemented to equip air check points in the Kyrgyz Republic (Manas, Osh), car check points Irkeshtam, Torugart, and test laboratories. We will continue work on the EEU policy unit to make forecasts, design policies and develop negotiations positions not only for accession but also after.

E. Safeguards Assessment

29. We recognize the importance of completing an updated safeguards assessment of the NBKR by the first review under the ECF arrangement. The NBKR will provide the Fund staff all the requested information needed for the assessment, including the authorization to speak with its external auditor and stands ready to receive a safeguards mission, if needed. We are also committed to prepare and implement an action plan with regard to agreed recommendations emerging from the safeguards assessment and include priority ones in future measures under the Fund-supported program. We also agree to update the June 14, 2011 memorandum of understanding between the ministry of finance and the NKBR on the management of foreign exchange reserves, including those for budgetary support.

III. PROGRAM MONITORING

30. The Fund-supported program will be monitored through prior actions, quantitative performance criteria, indicative targets, and structural benchmarks. Prior actions and structural benchmarks are set out in Table 1; the quantitative targets (performance criteria and indicative targets) and continuous performance criteria are set out in Table 2. The reviews will be conducted semi-annually based on end-June and end-December test dates. The first review should be completed by December 15, 2015 based on continuous and end-June 2015 quantitative performance criteria. The second review is expected to be completed by June 15, 2016 based on continuous and end-December 2015 quantitative performance criteria. The understandings between the Kyrgyz authorities and IMF staff regarding the quantitative performance criteria and the relevant structural measures described in this memorandum and reporting requirements are further specified in the technical memorandum of understanding attached to this memorandum.

Table 1. Kyrgyz Republic: Prior actions and Structural Benchmarks Under the Extended Credit Facility

Measure	Timing	Macroeconomic Rationale
Prior actions		
Adopt the following regulations by end-March: (i) Increase provision requirement for new foreign exchange loans to clients earning over 75 percent of their income in foreign exchange to 2.5 percent. (ii) Increase provision requirement for new foreign exchange loans to clients earning between 50 and 75 percent of their income in foreign exchange to 5 percent. (iii) Increase provision requirement for new foreign exchange loans to clients earning under 50 percent of their income in foreign exchange to 7.5 percent.		Restrain credit growth and dollarization and thus reduce vulnerabilities in the banking sector.
Adopt debt service to income ratio of 50 percent for new consumer loans.		Restrain credit growth and dollarization and thus reduce vulnerabilities in the banking sector.
Structural Benchmarks		
I. FISCAL POLICY		
Elaborate a MTDS including the following criteria: (i) restrict borrowing to projects which enhance growth and promote social developments (ii) maintain debt at sustainable levels, and (iii) ensure that borrowing is anchored in the medium-term fiscal framework and is consistent with macroeconomic stability	End-April 2015	Improve debt management
Undertake a review of the public investment framework in cooperation with development partners and line ministries to identify gaps and then define an action plan.	End-December, 2015	Improve the efficiency, quality and cost effectiveness of the public investment process.
Submit to parliament a draft tax law on (i) strengthening the VAT by reducing the number of exemptions, (ii) gradually phasing out the sales tax; (iii) gradually limiting the use of the patent system; (iv) adopting a simplified recordkeeping and reporting requirements.	End-June, 2015	Raise tax revenues while setting up more efficient tax policy.
Draw an action plan for the reform of public sector personnel and remuneration policy to reduce the wage bill as a share of GDP.	End-December, 2015	Streamline expenditure and rationalize public sector wages.
Reorganize the institutional structure of the tax service reducing duplication of functions with respect to interregional tax service departments.	End-April, 2015	Improve tax administration efficiency.
Selecting a provider for integrating the automated national treasury system with the interbank payment system	End-September, 2015	Optimize spending by strengthening the treasury's ability to conduct prudent expenditure management.
II. FINANCIAL SECTOR		
Finalizing the audit of DEBRA.	End-October, 2015	Speed up the liquidation process of problem-banks and DEBRA.
Set higher reserve requirements for foreign exchange deposits than for domestic currency deposits.	End-October, 2015	Contain credit growth and dollarization and enhance resilience of the financial sector to currency fluctuations.
Submit to parliament a draft amendment to the code for administrative responsibility increasing the penalty for unlicensed foreign exchange activity to som 50,000 for individuals, som 100,000 for corporate officers, and som 200,000 for legal entities.	End-May, 2015	Prevent exchange rate volatility by better controlling foreign exchange bureaus.
Issue a decision to harmonize the standard minimum capital requirement by gradually raising banks' paid-in capital in three steps by 2017.	End-May, 2015	Level the playing field among banks.

Table 2. Kyrgyz Republic: Quantitative Performance Criteria and Indicative Targets Under the Extended Credit Facility, December 2014–December 2015

(In millions of soms, unless otherwise indicated; eop)

	2014	2015			
	December	March	June	September	December
			QPC	Indicative Targets	QPC
Quantitative performance criteria 1/					
1. Floor on net international reserves of the NBKR (eop stock, in millions of U.S. dollars)	1,515	1,363	1,371	1,349	1,325
2. Ceiling on net domestic assets of the NBKR (eop stock)	-26,518	-14,700	-10,127	-10,583	-14,200
3. Ceiling on cumulative overall deficit of the general government 2/	-931	11,273	19,441	22,189	18,062
4. Ceiling on contracting or guaranteeing of new nonconcessional external debt by public sector (continuous, in millions of U.S. dollars) 3/	0	0	0	0	0
5. Ceiling on accumulation of new external payment arrears (continuous, in millions of U.S. dollars)	0	0	0	0	0
Indicative Targets 1/					
1. Ceiling on reserve money	64,472	67,058	72,121	70,313	65,279
2. Cumulative floor on state government tax collections 2/	82,639	16,963	36,821	61,345	92,361
3. Floor on cumulative state government spending on targeted social assistance, Unified Monthly Benefit and Monthly Social Benefit programs 2/	4,114	1,080	2,161	3,286	4,412

Sources: Kyrgyz authorities and IMF staff estimates and projections.

1/ As defined in the TMU.

2/ Cumulative from the beginning of the year.

3/ External debt contracted or guaranteed with a grant element of less than 35 percent.

Technical Memorandum of Understanding

March 24, 2015

I. Introduction

This memorandum defines the quantitative performance criteria, indicative targets and adjustors, and establishes the content and frequency of the data to be provided to IMF staff for program monitoring related to the economic program supported by an arrangement under the Extended Credit Facility (ECF). The indicators presented in Table 1 of the Letter of Intent dated March 24, 2015 reflect the understandings on quantitative performance criteria reached between the authorities of the Kyrgyz Republic and staff of the IMF.

II. Quantitative Performance Criteria

A. Definitions and Concepts

Test dates. Quantitative performance criteria are set semi-annually starting June 30, 2015 through December 31, 2018, and are to be met at the end of each period.

National Bank of the Kyrgyz Republic (NBKR). The NBKR is the central bank of the country and is responsible for the formulation and implementation of monetary policy, bank supervision, and the payment system. For the purpose of the program, the NBKR includes all its central and regional offices.

Public sector. For the purpose of the program, the public sector comprises the general government, the NBKR, the 10 largest nonfinancial public enterprises (enterprises and agencies in which the government owns more than 50 percent of the shares, but which are not consolidated in the budget, as listed in Table 1), and any other newly created public development institution. The State budget comprises central and local government budgets. The general government budget includes the State and Social Fund budgets.

Foreign-financed Public Investment Program (PIP) loans and grants. The foreign financed PIP is a program of investments in infrastructure and social sectors agreed by the general government of the Kyrgyz Republic and its donors (including but not limited to international financial organizations). The PIP is fully financed by related grants and loans.

Program loans and grants are loans and grants received by the general government for direct budget support from external donors and not related to PIP financing.

The stock of **external payment arrears** for program monitoring purposes is defined as the end-of-period amount of external debt service due and not paid within the grace period specified in the relevant debt contract, including contractual and late interest. For arrears to exist, a creditor must claim payment of amounts due and not paid. Amounts in dispute are not considered arrears.

Arrears for which a clearance framework/rescheduling or restructuring has been agreed with the creditor are not considered arrears for program monitoring purposes. Program arrears would include any debt service due under such agreements that have not been paid.

Concessional and nonconcessional debt. Concessional debt is defined as debt with a grant element equivalent of 35 percent or more. The grant element of a debt is the difference between the present value (PV) of the debt and its nominal value, expressed as a percentage of the nominal value of the debt. The PV of debt at the time of its contracting is calculated by discounting the future stream of payments of debt service due on this debt. The discount rate used for this purpose is 5 percent. The debt refers also to commitments contracted or guaranteed and for which value has not been received. The calculation of concessionality will take into account all aspects of the loan agreement, including maturity, grace period, payment schedule, upfront commissions, and management fees. The calculation is performed by the authorities and verified by the IMF staff based on the data provided by the authorities.

Valuation changes (program exchange rates). For program monitoring, U.S. dollar-denominated components of the NBKR's balance sheets will be valued at the program exchange rates. The program exchange rate of the KGS to the U.S. dollar is set as of February 17 of 2015 exchange rate of KGS 60.7523 = US$1. The corresponding cross exchange rates and program gold price for the duration of the program are provided in Table 2.

B. Quantitative Performance Criteria

Floor on net international reserves of the NBKR in convertible currencies

Definitions

Net international reserves (NIR) of the NBKR. The floor on NIR will be calculated as the difference between total international reserve assets and total international reserve liabilities of the NBKR in convertible currencies. Total international reserve assets of the NBKR are defined as the NBKR holdings of monetary gold, holdings of SDRs, reserve position in the IMF, and any holdings of convertible foreign currencies in cash or with foreign banks, and debt instruments issued by nonresidents that are liquid. Accrued interest on deposits, loans, and debt securities are included in reserve assets and liabilities, correspondingly. Reserve assets pledged as collateral or otherwise encumbered, capital subscriptions in foreign financial institutions, deposits of resident financial institutions (commercial banks and deposits earmarked for the Russia-Kyrgyz fund) in foreign currency and illiquid assets of the NBKR are excluded from NIR. Also excluded are net forward positions, defined as the difference between the face value of foreign-currency denominated NBKR off-balance sheet claims on nonresidents and foreign currency obligations to both residents and nonresidents. Total international reserve liabilities of the NBKR in convertible currencies are defined as the sum of Kyrgyz Republic's outstanding liabilities to the IMF and other convertible currency liabilities to nonresidents with an original maturity of up to and including one year. NIR is not affected when foreign assets are received by the NBKR through foreign currency swaps with resident financial institutions. Total international reserves and NIR decline with the provision of foreign assets by the NBKR through foreign currency swaps with resident financial institutions. For program monitoring purposes, total international reserve assets and liabilities will be valued at the program exchange rates as described in paragraph 9. Thus calculated, the stock of net international reserves in convertible currencies amounted to US$1,515 million on December 31, 2014. Net international reserves including deposits of resident financial institutions in foreign currency amounted to US$1,625 million on December 31, 2014.

Net foreign assets (NFA) of the NBKR. NFA consist of net international reserve assets plus other net foreign assets, including other net claims on CIS countries, reserve assets pledged as collateral or otherwise encumbered, capital subscriptions in foreign financial institutions, illiquid assets, and obligations of the NBKR on SDR allocation. For program monitoring purposes, other NFA will also be valued at program exchange rates.

Adjustors

The floor on NIR will be adjusted upward/downward to the full extent of any excess/shortfall in program and other grants and program loans, as given in Table 3 and upward/downward to the full extent that amortization and interest payments of public external debt is less/more than the amortization and interest payments given in Table 3.

Ceiling on the net domestic assets of the NBKR

Definitions

Net domestic assets of the NBKR (NDA) are defined as reserve money of the NBKR (defined below), minus NFA as defined above. Items in foreign currencies will be valued at program exchange rates.

Thus defined, NDA consist of: (a) net claims to the general government from the NBKR; (b) net claims to other depositary corporations by the NBKR; (c) net claims on other financial corporations; and (d) all other net assets of the NBKR (other items net). Thus defined, the stock of NDA amounted to minus KGS 26518 million on December 31, 2014.

Adjustors

The ceiling on NDA will be adjusted downward/upward to the full extent of any excess/shortfall in program and other grants and program loans, as given in Table 3 and downward/upward to the full extent that amortization and interest payments of public external debt is less/more than the amortization and interest payments given in Table 3.

Ceiling on the cumulative overall cash deficit of the general government

Definitions

The overall cash deficit of the general government will be measured from the financing side (below the line) as the net cash inflow from financing activities, defined as the net incurrence of liabilities minus the net acquisition of financial assets other than cash. These will be measured at current exchange rates and will be defined as the sum of:

- The change in the stock of net claims of the domestic banking system and nonfinancial institutions and households on the general government. The change in the stock of net claims of the domestic banking system on the general government is defined as the change in the stock of the banking system claims on the general government, less the change in the stock of all deposits of the general government with the banking system. The claims of the banking system on the general government include: bank loans to the general government; any securities issued by the general government and held by domestic banks and overdrafts on the current accounts of the general government with banks;
- The change in the stock of net claims of foreign governments, banking systems, and nonfinancial institutions and households on the general government;
- Net transactions in equity, i.e., any new sales net of purchases of shares;
- Net foreign loans disbursed to the general government for budgetary support; and
- Net foreign loans disbursed to the general government for PIP financing.

The quantitative performance criteria for the fiscal balance are calculated on the projected exchange rate. Reporting and adjustments, as defined above, will be made using current exchange rates.

Adjustors

The ceiling on the cumulative overall cash deficit of the general government will be adjusted downward to the full extent of any excess in program grants, as given in Table 3. The ceiling on the cumulative overall cash deficit of the general government will be adjusted downward to the full extent of any shortfall in program loans, as given in Table 3 and upward/downward to the full extent that PIP loans are more/less than PIP loans given in Table 3.

Ceiling on contracting or guaranteeing of new nonconcessional external debt and accumulation of new external payment arrears by the public sector (continuous quantitative performance criteria)

Definitions

Debt. In connection with the contracting or guaranteeing of short-, medium-, and long-term external debt by any entity of the public sector, for program purposes, the definition of debt is set out in Executive Board Decision No. 6230–(79/140, Point 9, as revised on August 31, 2009 (Decision No. 14416–(09/91)) and reads as follows:

- For the purpose of this guideline, the term “debt” will be understood to mean a current, i.e., not contingent, liability, created under a contractual arrangement through the provision of value in the form of assets (including currency) or services, and which requires the obligor to make one or more payments in the form of assets (including currency) or services, at some future point(s) in time; these payments will discharge the principal and/or interest liabilities incurred under the contract. Debts can take a number of forms, the primary ones being as follows:

I. Loans, i.e., advances of money to the obligor by the lender made on the basis of an undertaking that the obligor will repay the funds in the future (including deposits, bonds, debentures, commercial loans and buyers' credits) and temporary exchanges of assets that are equivalent to fully collateralized loans under which the obligor is required to repay the funds, and usually pay interest, by repurchasing the collateral from the buyer in the future (such as repurchase agreements and official swap arrangements);

II. Suppliers' credits, i.e., contracts where the supplier permits the obligor to defer payments until sometime after the date on which the goods are delivered or services are provided; and

III. Leases, i.e., arrangements under which property is provided which the lessee has the right to use for one or more specified period(s) of time that are usually shorter than the total expected service life of the property, while the lessor retains the title to the property. For the purpose of the guideline, the debt is the present value (at the inception of the lease) of all lease payments expected to be made during the period of the agreement excluding those payments that cover the operation, repair or maintenance of the property.

- Under the definition of debt set out in point 9 (a) above, arrears, penalties, and judicially awarded damages arising from the failure to make payment under a contractual obligation that constitutes debt are debt. Failure to make payment on an obligation that is not considered debt under this definition (e.g., payment on delivery) will not give rise to debt.

For program purposes, external debt is defined based on the residency of the creditor.

External debt ceilings apply to the contracting or guaranteeing by the public sector (as defined in section II. A., paragraph 4) of nonconcessional external debt, i.e. external debt with grant element of less than 35 percent (see section II. A., paragraph 7), except normal short-term import-related credits and NBKR international reserve liabilities.

Exclusions from the external debt limits. Disbursements by the IMF are excluded from the ceilings on external debt. Also excluded from external debt ceilings is the contracting or guaranteeing of new external debt that constitutes a rescheduling or refinancing of existing external debt on the terms more favorable to the debtor.

Guarantees. For program purposes, the guarantee of a debt arises from any explicit legal obligation of the public sector to service a debt in the event of nonpayment by the debtor (involving payments in cash or in kind), or from any implicit legal or contractual obligation of the public sector to finance partially or in full a shortfall incurred by the debtor.

New external payments arrears. The ceiling on accumulation of new external payments arrears is a continuous quantitative performance criterion.

C. Indicative Targets

Ceiling on reserve money

Reserve money is defined as the NBKR's national currency liabilities to the economy, which includes currency issued and liabilities to other depositary corporations.

Cumulative floor on state government tax collections

Tax collections in cash correspond to the line "Tax Receipts" in the Treasury Report and comprise the following categories: tax on income and profits; taxes on goods and services; specific taxes on services; turnover taxes; taxes on property; taxes on international trade; and other taxes. Tax collections include collections of tax arrears but exclude tax offsets.

Cumulative floor on state government spending on targeted social assistance

Targeted social assistance spending comprises state government spending on Unified Monthly Benefit (UMB) and Monthly Social Benefit (MSB) programs.

III. Reporting Requirements Under the Arrangement

The government and the NBKR will provide the IMF with the necessary economic and financial statistical data to monitor economic developments and the quantitative targets (see Table 4). In particular, the government and the NBKR will provide the following specific information.

D. Analytical Balance Sheet of the NBKR

The NBKR will provide to the IMF its analytical balance sheet on a daily basis. The information provided will clearly identify the following items in the definitions specified above: the net foreign assets of the NBKR; the net international reserves of the NBKR; total reserve assets and total reserve liabilities of the NBKR ; the net domestic assets of the NBKR; net credit from the NBKR to the general government, disaggregated by state government and special funds of the KR; net credit from the NBKR to other deposit corporations and other financial corporations; other items net; and reserve money. The balance sheet will be provided using both actual and program exchange rates. The above information will be provided to the IMF Resident Representative and/or transmitted by e-mail to the IMF.

E. Monetary Survey

Monthly banking system data, in the form of monetary surveys of the banking sector and other depository corporations, will be reported to the IMF by the NBKR within 16 days of the end of the month. The information provided will clearly identify the following items: net foreign assets and net domestic assets of the banking system, net credit from the banking system to the general government disaggregated by the state government, the social fund and the KRDF, net claims to the rest of the economy, other items net, and broad money. The monetary survey will be provided using both program and actual exchange rates.

The NBKR will provide monthly data to the IMF within seven days after the end of the month on the amount of holdings of treasury bills, treasury bonds and other securities issued by the state government, differentiated by the following categories of holders: the NBKR; resident banks; resident nonbanks (including separately the social fund and deposit insurance fund); and nonresidents. The information will be provided in both the book (nominal) value and the actual value, where applicable.

F. International Reserves and Key Financial Indicators

The NBKR will provide monthly data within 20 days from the end of the month on its gross and net international reserves within the framework of reporting "International Reserves and Foreign Currency Liquidity" (IMF's SDDS). These data will be provided at two alternative sets of the exchange rates and the gold price: first, at those used to derive the NFA position in the NBKR accounts; and second, at those specified in the program (see Section I). The NBKR will also provide data on net foreign financing flows, including disbursements of program loans and grants, amortization, interest payments on external debt, interest income on reserves, other direct foreign currency payments by the government and the NBKR. In addition, weekly reports should be sent to the IMF on (a) nominal exchange rates (including the official and interbank exchange rates), foreign exchange interbank market turnover, and the volume of NBKR foreign exchange sales and purchases in the domestic interbank market and with other parties, on a daily basis; and (b) treasury bill yields and the amount of treasury bill sales and redemptions on a weekly basis every Monday. On the twenty-fifth day of the month following the reference month, the NBKR will provide indicators of financial soundness of the banking system, including the ratios of regulatory capital to risk-weighted assets, nonperforming loans to total loans, and return on equity, as well as data on bank deposit and lending rates by maturity.

G. External Debt

The ministry of finance, together with the NBKR, will provide monthly information on the disbursements, principal and interest payment—both actual and falling due—on contracting and guaranteeing of medium- and long-term external loans by the state government, nonfinancial public enterprises, and the NBKR; and any stock of outstanding arrears on external debt service payments within 21 days of the end of each month. In addition, the ministry of finance will report the total amount of outstanding government guarantees and external arrears on a monthly basis. While the NBKR will provide the debt service payment data on private debt, the ministry of finance will provide data on debt service on public and publicly guaranteed loans.

H. Budgetary and Extra Budgetary Data

In addition to the monthly treasury report, the Social Fund will report monthly on its operations. This information will be provided to the Fund staff within 26 days from the end of each reference month. The ministry of finance will also provide monthly reports on the disbursements and use under the public investment program and budgetary grants with a one month time lag.

I. Balance of Payments Data

The NBKR will provide current account and capital account data, including data on foreign trade, services, official and private transfers, foreign investment, and disbursements of public and private loans, on a quarterly basis, with at most a three-month lag. The NBKR will also provide monthly foreign trade data with a two-month lag.

J. Other General Economic Information

The National Statistics Committee will notify the IMF of the monthly Consumer Price Index by category by the fifteenth business day of the following month, and convey monthly GDP estimates within 30 days of the end of each month.

Table 1. Kyrgyz Republic: Ten largest SOEs

(Included in the public sector)

	Name of SOE
1	JSC KyrgyzAltyn
2	JSC KyrgyzNefteGaz
3	JSC “Electrical Stations”
4	JSC “National Electrical Grid of Kyrgyzstan”
5	JSC “Manas International Airport”
6	JSC KyrgyzTelecom
7	JSC SeverElectro
8	SOE “National Company Kyrgyz Temir Jolu”
9	JSC BishkekTeploset
10	JSC "Chakan HPP"

Table 2. Kyrgyz Republic: Program Cross Exchange Rates and Gold

Abbreviation	Currency Name	Currency/US$	US$/Currency
AUD	Australian Dollar	1.2926	0.7736
AMD	Armenian Dram	479.6865	0.0021
CAD	Canadian Dollar	1.2525	0.7984
CNY	Chinese Yuan	6.2477	0.1601
CNH	Chinese Yuan	6.2517	0.1600
JPY	Japanese Yen	119.0568	0.0084
KZT	Kazakh Tenge	185.0512	0.0054
KWT	Korean won	1,100.5851	0.0009
KWD	Kuwati dinar	3.3824	0.2956
KGS	Kyrgyz Som	60.7523	...
NOK	Norweigan Crown	7.6020	0.1315
RUB	Russian Ruble	62.6635	0.0160
SAR	Saudi Rial	4.6076	0.2170
SGD	Singapore Dollar	1.3585	0.7361
SEK	Swedish Crown	8.4426	0.1184
CHF	Swiss Franc	0.9293	1.0760
AED	UAE Dirham	3.6779	0.2719
GBP	UK Pound Sterling	0.6508	1.5366
SDR	SDR	0.7096	1.4092
XAG	Silver	0.0579	17.2700
BYR	Belarusian Ruble	15,318.2804	0.0001
EUR	Euro	0.8757	1.1420
XAU	Gold (US$/troy ounce)	1,229.2500	...

Table 3. Kyrgyz Republic: Projected Budget Support, PIP, and Amortization

	2015 1/				2016 1/	
	March	June	September	December	March	June
Program grants	11.3	54.8	54.8	142.8	19.6	33
Program loans	13.8	27.5	27.5	57.9	13.2	27
Other grants	37.5	75.0	112.5	150.0	62.5	125
Public investment program loans	149.9	299.9	449.8	599.7	156	312
Amortization of public external debt	18.0	36.0	54.0	72.0	26.6	53.3
Interest payments	12.3	24.6	37.0	49.3	11.5	23.0

1/ Cumulative disbursements since the beginning of the year.

Table 4. Kyrgyz Republic: Reporting Requirements/Frequency Under the Arrangement

Reporting Agency	Data	Frequency	Timing
NBKR	Analytical balance sheet of NBKR	Daily	The following working day
NBKR	Monetary surveys of the banking sector and other depository corporations	Monthly	Within 16 days of the end of each month
NBKR	The amount of holdings of treasury bills, treasury bonds and other securities issued by the state government	Monthly	Within 7 days of the end of each month
NBKR	The gross and net international reserves Net foreign financing flows	Monthly	Within 20 days of the end of each month
NBKR	Nominal exchange rates Foreign exchange interbank market turnover Volume of NBKR foreign exchange sales and purchases in the domestic interbank market and with other parties, on a daily basis Treasury bill yields and the amount of treasury bill sales and redemptions	Weekly	The following working day
NBKR	Indicators of financial soundness of the banking system	Monthly	Within 25 days of the end of each month
MOF NBKR	Disbursements, principal and interest payment (external debt) Contracting and guaranteeing of medium- and long-term external loans Any stock of outstanding arrears on external debt service payments Total amount of outstanding government guarantees and external arrears	Monthly	Within 21 days of the end of each month
Social Fund	Social Fund operations report	Monthly	Within 26 days of the end of each month
MOF	Revenue, expense, net lending, onlending and composition of financial assets and liabilites-central government	Montlhy	Within 26 days of the end of each month
MOF	Disbursements and use under the public investment program and budgetary grants	Monthly	Within 30 days of the end of each month
NBKR	Current account and capital account data	Quarterly	Within 90 days of the end of each quarter
NBKR	Foreign trade data	Monthly	Within 30 days of the end of each month
NBKR	Remittances	Monthly	Within 45 days of the end of each month
NSC	Consumer Price Index by category	Monthly	Within 15 days of the end of each month
NSC	GDP	Monthly	Within 30 days of the end of each month